

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Japan GAAP)

February 4, 2025

Name of Listed Company: Yokogawa Electric Corporation (the “Company” herein)
 Stock Exchanges Where the Company’s Shares Are Listed: Tokyo Stock Exchange
 Securities Code: 6841 URL <https://www.yokogawa.com/>
 Name and Position of the Representative: Hitoshi Nara, President & CEO, Representative Executive Officer
 Name and Position of Person in Charge: Hirohiko Nakatani, Department Manager of IR Department
 Telephone Number: +81-422-52-6845
 Planned Dividend Payment Starting Date: –
 Financial Results Supplemental Materials: Yes
 Financial Results Presentation Meeting: Yes (for institutional investors)

(Any amount less than one million yen is disregarded.)

1. Consolidated Business Results for the Nine Months Ended December 31, 2024 (April 1-December 31, 2024)

(1) Results of Operations on a Consolidated Basis (accumulated)

(Percentages show the change from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For nine months ended December 31, 2024	408,887	4.0	58,416	0.1	60,821	(0.3)	38,700	(25.7)
For nine months ended December 31, 2023	393,089	23.8	58,380	135.9	61,015	127.7	52,113	209.2

(Note) Comprehensive income For nine months ended December 31, 2024 48,510 million yen [(26.1)%]
 For nine months ended December 31, 2023 65,686 million yen [103.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For nine months ended December 31, 2024	148.74	—
For nine months ended December 31, 2023	197.81	—

(2) Financial Conditions on a Consolidated Basis

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	708,730	479,656	66.2
As of March 31, 2024	672,866	444,763	64.9

(Reference) Shareholders' equity: As of December 31, 2024: 468,888 million yen As of March 31, 2024: 436,642 million yen

2. Dividend Status

	Dividends per share				
	June 30	September 30	December 31	End of period	Total
	Yen	Yen	Yen	Yen	Yen
For year ended March 31, 2024	—	17.00	—	23.00	40.00
For year ending March 31, 2025	—	29.00	—		
For year ending March 31, 2025 (forecast)				29.00	58.00

(Note) Adjustment on dividend forecast in this quarter: No

3. Consolidated Business Forecast for the Year Ending March 31, 2025 (April 1, 2024-March 31, 2025)

(Percentages show the change from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	563,000	4.2	79,000	0.3	81,000	(3.7)	51,000	(17.3)
								196.01

(Note) Adjustment on consolidated business forecast in this quarter: Yes

<Notes>

- (1) Significant changes in range of consolidation during the period: Yes
 Newly included: 1 company (Company name) BaxEnergy GmbH
- (2) Application of special methods for consolidated quarterly financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
 a. Changes in accounting policies accompanying revision of accounting standards: No
 b. Changes in accounting policies other than (a) above: No
 c. Changes in accounting estimates: No
 d. Restatements: No
- (4) Number of shares issued (common stock)
 a. Number of shares outstanding at the end of the period (including treasury shares)
 As of December 31, 2024 268,624,510 shares
 As of March 31, 2024 268,624,510 shares
 b. Number of treasury shares at the end of the period
 As of December 31, 2024 8,408,274 shares
 As of March 31, 2024 8,473,826 shares
 c. Average number of shares in the period (accumulated quarterly period)
 For the nine months ended December 31, 2024 260,183,500 shares
 For the nine months ended December 31, 2023 263,447,833 shares

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit corporation: Yes (voluntary)

Note concerning appropriate use of business forecasts, etc.

The above forecasts are based on the information that was available at the time this document was released and involve assumptions regarding uncertain factors that may have an effect on future performance. Actual performance may vary greatly due to a variety of factors. For premises underlying the assumptions for business forecasts and cautions concerning the use of business forecasts, please refer to “1. Overview of Business Results and Others (3) Explanation of Consolidated Business Forecast and Other Expectations” on page 5.

The Company plans to hold a quarterly financial results presentation meeting for institutional investors via web conference on February 4, 2025. The Company also plans to promptly post to its website the materials that are used at the meeting.

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1. Overview of Business Results and Others

(1) Overview of Business Results for the Period Under Review

For the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024), in accordance with the medium-term business plan, “Growth for Sustainability 2028 (GS2028),” where the current fiscal year is its first year, the Group has started efforts to realize Creating Shared Value (CSV) management, which aims to sustainably enhance corporate value while benefitting both society and the environment through our business.

The Group’s business performance during the nine months ended December 31, 2024 is as follows. Net sales increased by 15.7 billion yen year on year, mainly due to foreign exchange fluctuations. Although higher revenue was a factor that worked to push up profit, on the other hand there were increases in upfront investments and personnel expenses, with the result that operating profit and ordinary profit were flat year on year. Profit attributable to owners of parent decreased by 13.4 billion yen, mainly due to the fallback from a gain on sale of investment securities that was recorded in extraordinary income in the same period of the previous fiscal year.

Business results are as follows.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Difference	Change
Net sales	393.089	408.887	15.797	4.0%
Operating profit	58.380	58.416	0.035	0.1%
Ordinary profit	61.015	60.821	(0.194)	(0.3)%
Profit attributable to owners of parent	52.113	38.700	(13.412)	(25.7)%
(Reference) Average rate to 1 U.S. dollar (Yen)	143.78	153.00	9.22	—

Results by individual segment are outlined below.

<Industrial Automation and Control Business>

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Difference	Change
Net sales	365.129	383.607	18.478	5.1%
Operating profit	51.676	53.586	1.909	3.7%

<Measuring Instruments Business>

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Difference	Change
Net sales	24.647	22.393	(2.253)	(9.1)%
Operating profit	7.119	4.860	(2.259)	(31.7)%

<New Businesses and Others>

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Difference	Change
Net sales	3.312	2.885	(0.427)	(12.9)%
Operating profit	(0.415)	(0.030)	0.384	—

(2) Overview of Financial Conditions for the Period Under Review

In comparison to March 31, 2024, total assets as of December 31, 2024 were up 35.8 billion yen to 708.7 billion yen, mainly due to an increase in cash and deposits, despite decreases in notes and accounts receivable - trade, and contract assets, as well as buildings and structures.

In addition, total liabilities were 229.0 billion yen, up 0.9 billion yen compared to March 31, 2024, due mainly to an increase in contract liabilities, despite decreases in provision for bonuses and accounts payable - other.

As of December 31, 2024, net assets were 479.6 billion yen, up 34.8 billion yen compared to March 31, 2024, due mainly to the recognition of profit attributable to owners of parent and an increase in foreign currency translation adjustment.

As a result, the shareholders’ equity ratio was 66.2%, up 1.3 percentage points from the end of the previous fiscal year.

(3) Explanation of Consolidated Business Forecast and Other Expectations

With regard to the Group's consolidated business forecast for the fiscal year ending March 31, 2025, we have revised the assumed foreign exchange rate from 1 USD = 145 yen to 1 USD = 150 yen, and the consolidated business forecast announced on November 5, 2024, as follows, taking into account the results for the nine months ended December 31, 2024 and the future prospects.

Following the change to the assumed foreign exchange rate, we have also revised the orders received figure that was revised up on November 5, 2024. Please refer to the reference information provided below.

The following compares the full-year consolidated business forecast announced on November 5, 2024, with the revised forecast announced on February 4, 2025.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
Previously announced forecast (A)	563.0	75.0	75.0	49.0	188.35
Revised forecast (B)	563.0	79.0	81.0	51.0	196.01
Difference (B) - (A)	—	4.0	6.0	2.0	—
Change	—	5.3%	8.0%	4.1%	—
(Reference) Results for fiscal year ended March 31, 2024	540.1	78.8	84.0	61.6	234.83

(Reference) Full-Year Consolidated Business Forecast by Segment

<Orders Received>

Unit: billion yen

	Previously announced forecast (November 5, 2024)	Revised forecast (February 4, 2025)	Difference
Industrial automation and control business	543.0	555.0	up 12.0
Measuring instruments business	28.0	28.0	—
New businesses and others	4.0	4.0	—
Total	575.0	587.0	up 12.0

<Net Sales>

Unit: billion yen

	Previously announced forecast (November 5, 2024)	Revised forecast (February 4, 2025)	Difference
Industrial automation and control business	531.0	531.0	—
Measuring instruments business	28.0	28.0	—
New businesses and others	4.0	4.0	—
Total	563.0	563.0	—

<Operating Profit>

Unit: billion yen

	Previously announced forecast (November 5, 2024)	Revised forecast (February 4, 2025)	Difference
Industrial automation and control business	71.0	74.0	up 3.0
Measuring instruments business	5.0	6.0	up 1.0
New businesses and others	(1.0)	(1.0)	—
Total	75.0	79.0	up 4.0

<Cautions Concerning the Use of Business Forecasts>

As the above business forecast is based on certain assumptions judged by the Company to be reasonable at present, actual business results may differ.

The main factors that may cause changes in the results are as follows.

- Changes in foreign exchange rates, particularly the U.S. dollar, the euro, Asian currencies, and the currencies of the Middle East
- Sudden changes in the price of crude oil
- Sudden changes in the political and economic situation in major markets
- Geopolitical risks in the Middle East and East Asia, etc.
- Changes in the business environment such as revisions to trade regulations
- Dramatic shifts in product supply and demand in the market
- Changes in Japanese share prices
- Protection of the Company's patents and securement of the licensing of patents held by other companies
- M&A and business alliances with other companies for purposes such as product development
- Occurrences of natural disasters such as earthquakes, floods, and tsunamis

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	139,884	173,543
Notes and accounts receivable - trade, and contract assets	242,704	238,687
Merchandise and finished goods	21,719	22,625
Work in process	5,857	8,601
Raw materials and supplies	27,138	26,658
Other	24,148	22,043
Allowance for doubtful accounts	(6,280)	(6,066)
Total current assets	455,173	486,092
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,022	43,683
Other	44,016	43,013
Total property, plant and equipment	91,038	86,697
Intangible assets		
Software	17,512	18,459
Goodwill	5,971	10,238
Other	20,283	25,051
Total intangible assets	43,767	53,749
Investments and other assets		
Investment securities	65,615	65,812
Other	17,864	17,982
Allowance for doubtful accounts	(593)	(1,603)
Total investments and other assets	82,887	82,191
Total non-current assets	217,693	222,638
Total assets	672,866	708,730

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,818	29,223
Electronically recorded obligations - operating	9,657	7,890
Short-term borrowings	295	98
Accounts payable - other	21,274	15,378
Income taxes payable	9,795	7,267
Contract liabilities	51,588	64,184
Provision for bonuses	23,539	15,702
Provision for loss on construction contracts	8,746	9,271
Other	29,817	33,743
Total current liabilities	186,534	182,760
Non-current liabilities		
Long-term borrowings	24,000	24,031
Retirement benefit liability	6,048	6,947
Other	11,521	15,335
Total non-current liabilities	41,569	46,313
Total liabilities	228,103	229,074
Net assets		
Shareholders' equity		
Share capital	43,401	43,401
Capital surplus	54,464	54,575
Retained earnings	303,979	329,150
Treasury shares	(19,357)	(19,209)
Total shareholders' equity	382,487	407,917
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,953	22,538
Deferred gains or losses on hedges	43	61
Foreign currency translation adjustment	32,831	38,014
Remeasurements of defined benefit plans	(674)	355
Total accumulated other comprehensive income	54,154	60,970
Non-controlling interests	8,120	10,767
Total net assets	444,763	479,656
Total liabilities and net assets	672,866	708,730

(2) Consolidated Quarterly Statements of Income and Statements of Comprehensive Income
Consolidated Quarterly Statements of Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	393,089	408,887
Cost of sales	205,891	213,877
Gross profit	187,197	195,009
Selling, general and administrative expenses	128,816	136,593
Operating profit	58,380	58,416
Non-operating income		
Interest income	1,196	1,902
Dividend income	951	763
Share of profit of entities accounted for using equity method	2,357	1,585
Other	1,046	802
Total non-operating income	5,552	5,055
Non-operating expenses		
Interest expenses	826	907
Foreign exchange losses	841	284
Donations	239	199
Other	1,010	1,258
Total non-operating expenses	2,917	2,650
Ordinary profit	61,015	60,821
Extraordinary income		
Gain on sale of non-current assets	25	2,909
Gain on sale of investment securities	16,630	417
Total extraordinary income	16,655	3,327
Extraordinary losses		
Loss on sale of non-current assets	8	1,234
Loss on retirement of non-current assets	106	233
Impairment losses	* 5,667	—
Loss on valuation of investment securities	—	2,447
Loss on sale of investments in capital of subsidiaries and associates	259	—
Loss on termination of retirement benefit plan	105	1,342
Business restructuring expenses	74	—
Total extraordinary losses	6,222	5,257
Profit before income taxes	71,448	58,891
Income taxes - current	14,613	14,002
Income taxes - deferred	1,470	3,463
Total income taxes	16,084	17,466
Profit	55,364	41,425
Profit attributable to non-controlling interests	3,251	2,724
Profit attributable to owners of parent	52,113	38,700

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	55,364	41,425
Other comprehensive income		
Valuation difference on available-for-sale securities	387	602
Deferred gains or losses on hedges	61	17
Foreign currency translation adjustment	9,999	5,111
Remeasurements of defined benefit plans, net of tax	(16)	1,027
Share of other comprehensive income of entities accounted for using equity method	(110)	327
Total other comprehensive income	10,322	7,085
Comprehensive income	65,686	48,510
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	62,280	45,516
Comprehensive income attributable to non-controlling interests	3,406	2,994

(3) Notes on Consolidated Quarterly Financial Statements

Notes for Going Concern

Not applicable

Notes If There Is a Remarkable Change in the Amount of Shareholders' Equity

Not applicable

Notes on Consolidated Quarterly Statements of Income

* Impairment Losses

Nine months ended December 31, 2023 (April 1-December 31, 2023)

Impairment losses were recorded for the following asset groups.

(Millions of yen)			
Location	Use	Category	Impairment losses
United States	Business assets	Goodwill	2,003
		Other intangible assets	3,636
Japan	Idle assets	Machinery, equipment and vehicles	28
		Total	5,667

The Group's business assets are grouped based on management accounting classification.

The book values mainly with respect to the goodwill, etc. arising at the time of acquisition of equity interest in the U.S. based consolidated subsidiary, PXiSE Energy Solutions, LLC were reduced to their respective recoverable amounts and the amounts of said reductions have been recorded as impairment losses because the business performance of the company is expected to fall below the initially forecasted business plans.

The recoverable amounts for the said asset groups are measured by value in use and are calculated by discounting future cash flows at a rate of 10%.

Notes on Consolidated Quarterly Statements of Cash Flows

Consolidated quarterly statements of cash flows have not been prepared for the nine months ended December 31, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2023 and 2024 are as follows.

(Millions of yen)		
	Nine months ended December 31, 2023 (April 1-December 31, 2023)	Nine months ended December 31, 2024 (April 1-December 31, 2024)
Depreciation	14,817	15,499
Amortization of goodwill	1,801	1,353

Notes on Segment Information

Segment Information

I Nine months ended December 31, 2023 (April 1-December 31, 2023)

1. Segment Sales and Profits (Losses)

(Millions of yen)

	Reporting segments				Adjustment	Amount on consolidated quarterly statements of income
	Industrial automation and control	Measuring instruments	New businesses and others	Total		
Net sales						
Net sales to unaffiliated customers	365,129	24,647	3,312	393,089	—	393,089
Intersegment net sales or transfers	—	—	—	—	—	—
Total	365,129	24,647	3,312	393,089	—	393,089
Segment profit (loss)	51,676	7,119	(415)	58,380	—	58,380

(Note) The profit or loss of each reporting segment is its operating profit or loss.

2. Segment Impairment Losses on Non-current Assets or Goodwill, Etc.

Significant Impairment Losses on Non-current Assets

Impairment losses were recorded on non-current assets in the industrial automation and control segment.

The recorded amount of the said impairment losses during the nine months ended December 31, 2023 was 5,667 million yen.

Material Change in Amount of Goodwill

Due to impairment losses being recorded on goodwill in the industrial automation and control segment, the amount of goodwill has decreased.

The amount of the decrease in goodwill due to this event during the nine months ended December 31, 2023 is 2,003 million yen.

II Nine months ended December 31, 2024 (April 1-December 31, 2024)

1. Segment Sales and Profits (Losses)

(Millions of yen)

	Reporting segments				Adjustment	Amount on consolidated quarterly statements of income
	Industrial automation and control	Measuring instruments	New businesses and others	Total		
Net sales						
Net sales to unaffiliated customers	383,607	22,393	2,885	408,887	—	408,887
Intersegment net sales or transfers	—	—	—	—	—	—
Total	383,607	22,393	2,885	408,887	—	408,887
Segment profit (loss)	53,586	4,860	(30)	58,416	—	58,416

(Note) The profit or loss of each reporting segment is its operating profit or loss.

[Reference]

February 4, 2025
Yokogawa Electric Corporation**Consolidated Financial Statements for the Nine Months Ended December 31, 2024**

(Millions of yen)

	Nine months ended December 31, 2023		Nine months ended December 31, 2024		Change	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Ratio to net sales
Net sales	393,089	—	408,887	—	15,797	—
Operating profit	58,380	14.9%	58,416	14.3%	35	(0.6)%
Ordinary profit	61,015	15.5%	60,821	14.9%	(194)	(0.6)%
Profit attributable to owners of parent	52,113	13.3%	38,700	9.5%	(13,412)	(3.8)%
Total assets	640,485		708,730		68,245	
Net assets	425,314		479,656		54,341	
Return on equity	13.1%		8.5%		(4.6)%	
Basic earnings per share	197.81 yen		148.74 yen		(49.07) yen	
Capital investment	17,385		20,080		2,695	
Depreciation	16,618		16,852		233	
Research and development expenses	23,899		25,286		1,386	
Average exchange rate during the period (USD)	143.78 yen		153.00 yen		9.22 yen	

Orders Received

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	FY2024 full year (forecast)
Industrial automation and control business	368,037	414,858	555,000
Measuring instruments business	20,112	23,400	28,000
New businesses and others	2,549	2,978	4,000
Total	390,699	441,238	587,000

Net Sales

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	FY2024 full year (forecast)
Industrial automation and control business	365,129	383,607	531,000
Measuring instruments business	24,647	22,393	28,000
New businesses and others	3,312	2,885	4,000
Total	393,089	408,887	563,000

Operating Profit

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	FY2024 full year (forecast)
Industrial automation and control business	51,676	53,586	74,000
Measuring instruments business	7,119	4,860	6,000
New businesses and others	(415)	(30)	(1,000)
Total	58,380	58,416	79,000